

L. R. FRENCH, JR.
POST OFFICE BOX 11327
MIDLAND, TEXAS 79702

December 2, 1997

Attn: Mr. Richard Gill
Maralo, Inc.
P. O. Box 832
Midland, TX 79702

Re: Section 4, T-19-S, R-38-E
Eddy County, New Mexico

Gentlemen:

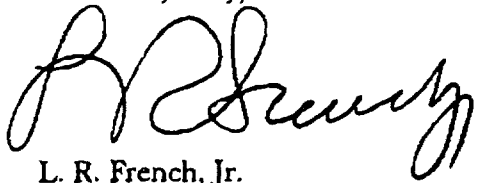
L. R. French, Jr. supports the position of Maralo, Inc. concerning operations proposed by Marathon Oil Company on the captioned acreage.

We have reached an agreement with Marathon for the Courtman 4 State No. 1 well proposed for the N/2 of Section 4.

We feel that a decision on the Mitchusson 4 State No. 1 well proposed by Marathon in the S/2 of Section 4 should be delayed until the Courtman 4 State No. 1 is completed.

I appoint Maralo, Inc. and Maralo's counsel to also represent me at the pooling hearing scheduled for December 4, 1997, and any extensions thereof. Please advise if you need additional information or documentation.

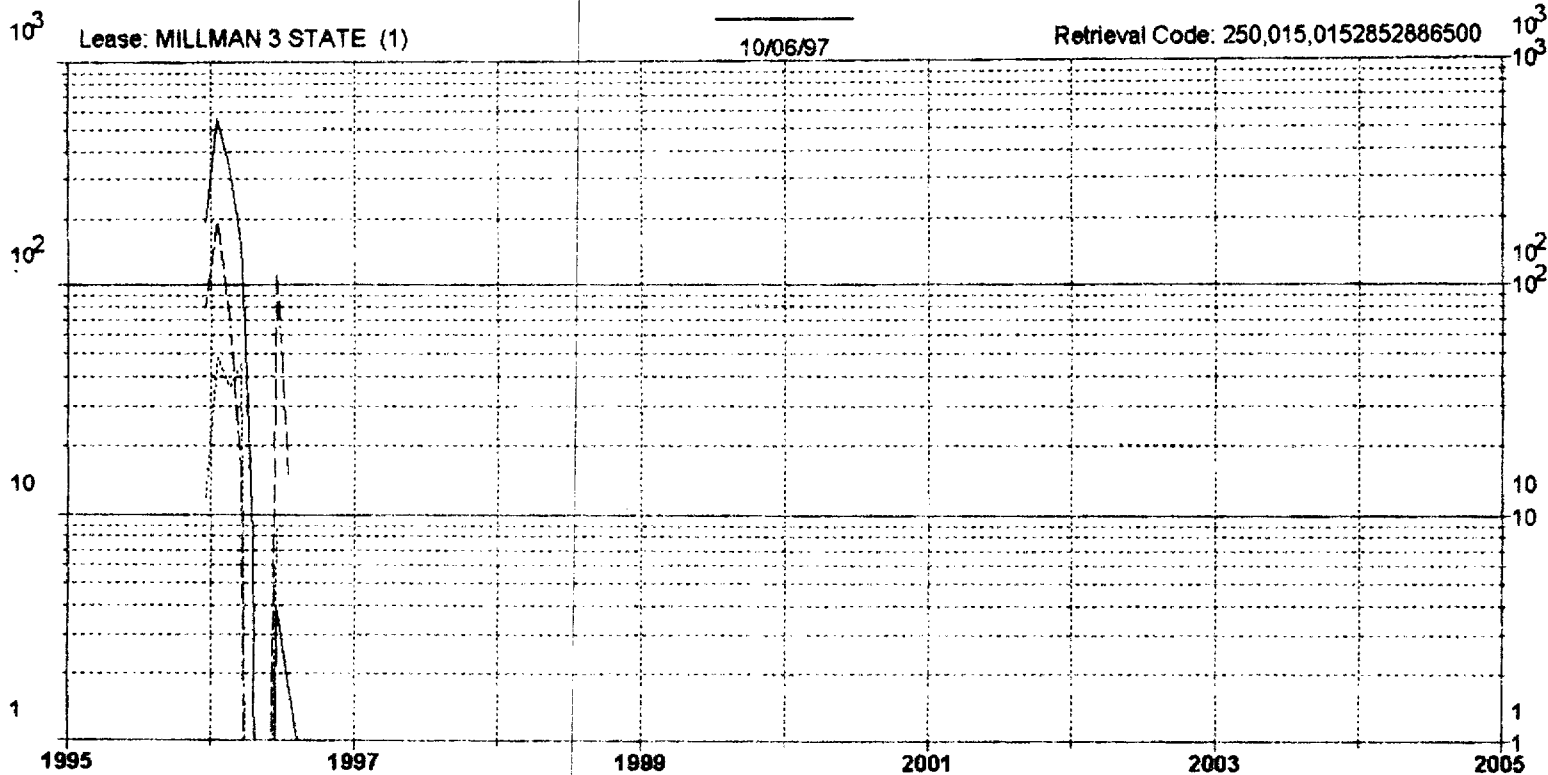
Yours very truly,



L. R. French, Jr.

LRFjr:bf

NEW MEXICO
OIL CONSERVATION DIVISION
Maralo EXHIBIT 1
CASE NO 11884



Water (bbl/mo)

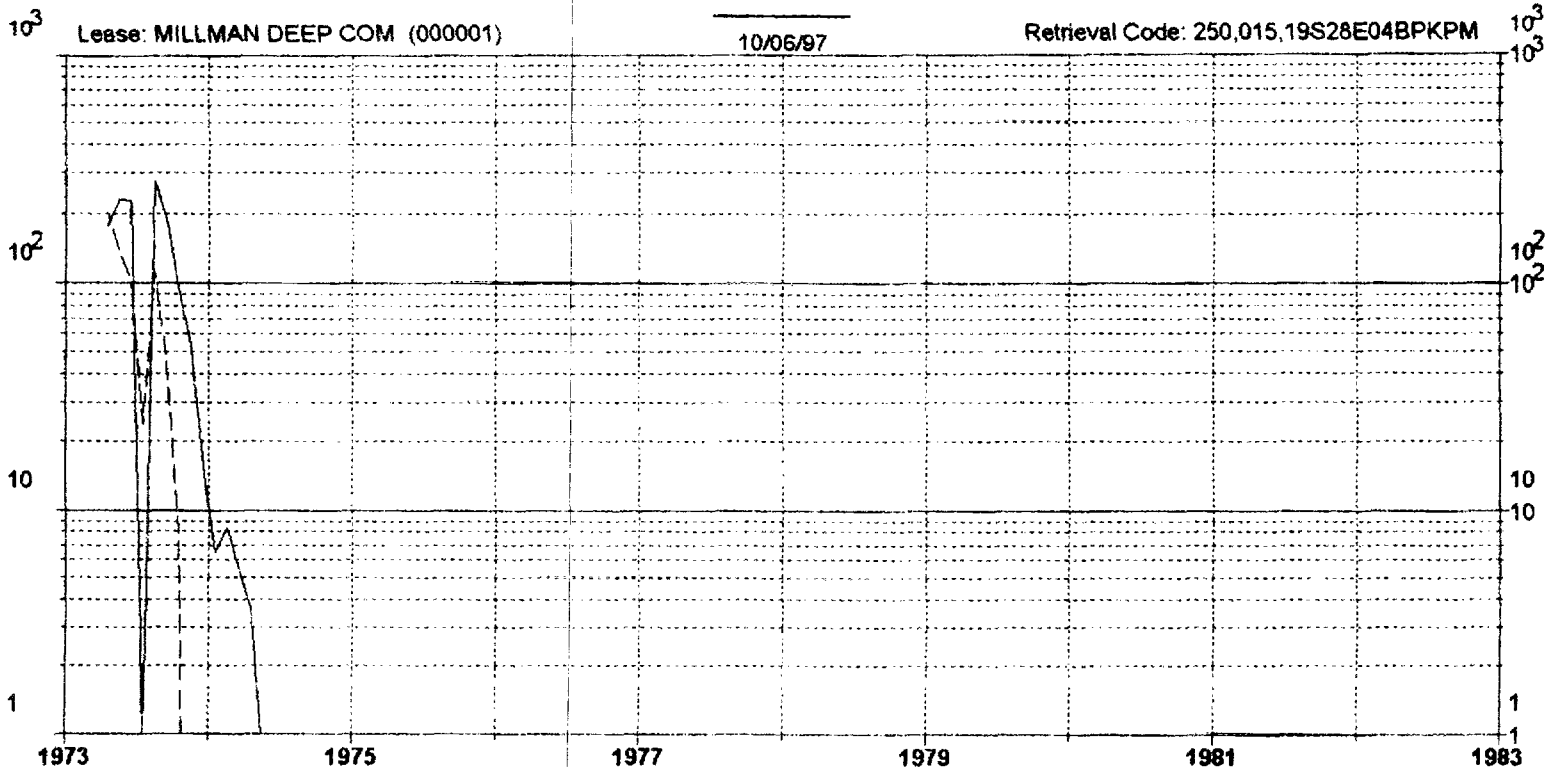
County: EDDY, NM
Field: TURKEY TRACK NORTH (MORRO
Reservoir: MORROW
Operator: MARALO INC

F.P. Date: 12/95
Oil Cum: 490 bbl
Gas Cum: 126.8 mmcf
Location: 3F 19S 28E

Oil (bbl/mo)
Well Count

NEW MEXICO
OIL CONSERVATION DIVISION

Maralo EXHIBIT 2
CASE NO. 11884



| | | | |
|----------------|---------------------------------|----------------------|--------------|
| Water (bbl/mo) | County: EDDY, NM | F.P. Date: 04/73 | Oil (bbl/mo) |
| | Field: MILLMAN (MORROW) PM | Oil Cum: 627 bbl | Well Count |
| | Reservoir: MORROW | Gas Cum: 128.2 mmcf | |
| | Operator: HANAGAN PETROLEUM COR | Location: 4B 19S 28E | |